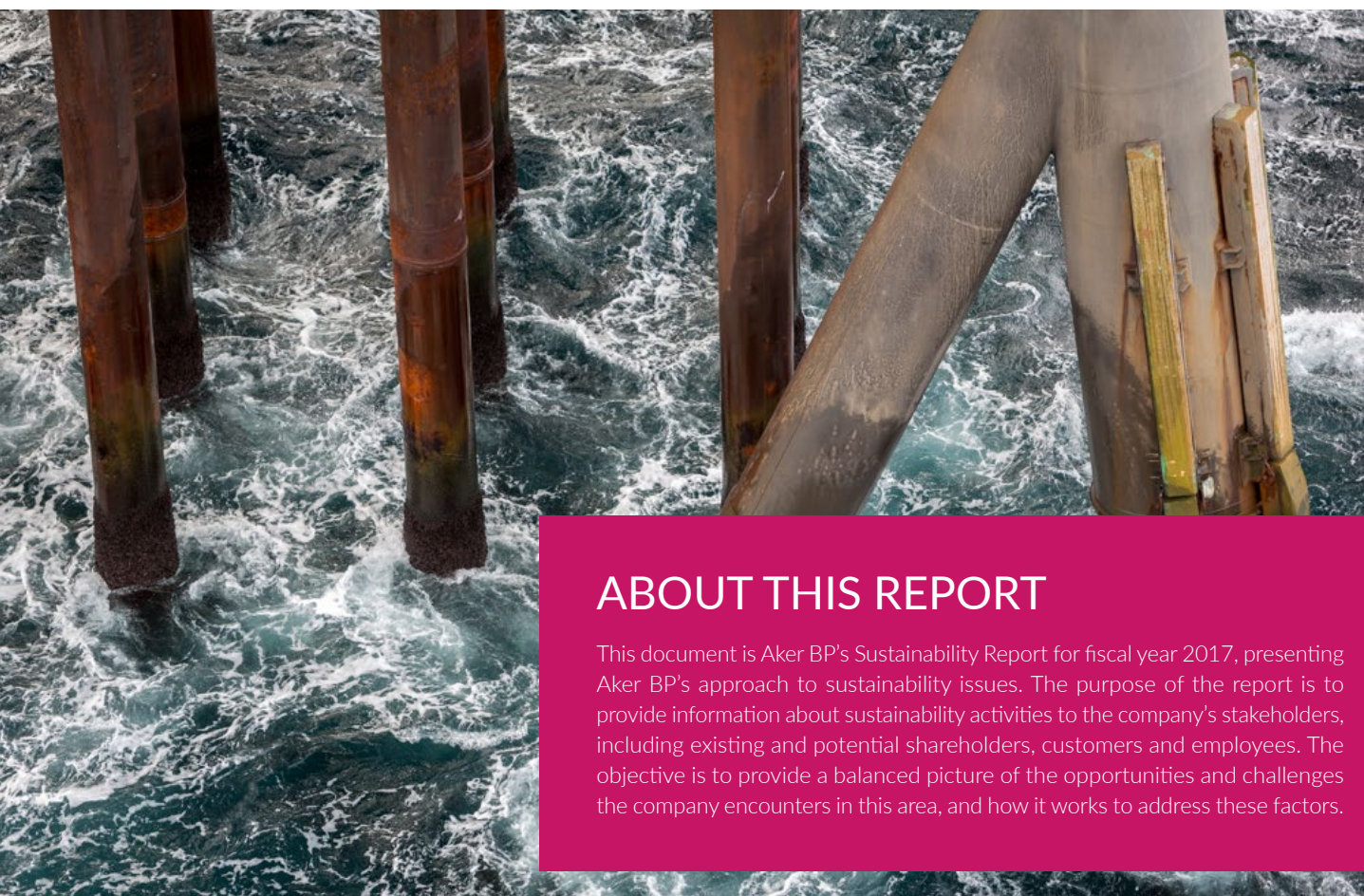


Sustainability report

2017

AKER BP ASA





ABOUT THIS REPORT

This document is Aker BP's Sustainability Report for fiscal year 2017, presenting Aker BP's approach to sustainability issues. The purpose of the report is to provide information about sustainability activities to the company's stakeholders, including existing and potential shareholders, customers and employees. The objective is to provide a balanced picture of the opportunities and challenges the company encounters in this area, and how it works to address these factors.

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COMPANY PROFILE

Aker BP is a full-fledged E&P company with exploration, development and production activities on the Norwegian continental shelf (NCS).

Aker BP is the operator of Alvheim, Ivar Aasen, Skarv, Valhall, Hod, Ula and Tambar. The company is also a partner in the Johan Sverdrup field. The company has a total of 109 licences, including non-operated licences.

The company is headquartered at Fornebu outside Oslo and has offices in Stavanger, Trondheim, Harstad and Sandnessjøen. At the end of 2017, the company had 1,371 employees.

Aker BP ASA is jointly owned by Aker ASA (40%), BP (30%) and other shareholders (30%). The company is listed on the Oslo Stock Exchange with ticker 'AKERBP'. Read more about Aker BP at www.akerbp.com.

The Business Management System (BMS) is the company's framework for creating and sustaining value, trust and predictability. It describes how we govern, execute and improve. The Business Management System empowers people to perform through fast decision-making at the right level, high flow efficiency, and continuous learning. Aker BP has defined an asset value chain process that follows the main steps in the exploration, field development and production value creation process, ensuring flow efficiency for the assets.

Technical support processes across the value chain remove silos and enhance interfaces, ensuring effective experience

transfer and learning. The processes are vital to ensure flow efficiency in the value chain. Business support processes safeguard, enable, control and provide stability.

Aker BP has always emphasised continuous improvement of all operations. This is accomplished both through internal quality improvement processes, experience transfer from other operators and through active participation in research and development projects specifically aimed at the Barents Sea.

Risk

Aker BP has established an enterprise risk management process where risks and opportunities are identified and managed at all levels (activity, asset, business unit and company). Significant risks and opportunities are elevated from lower levels. Risks and opportunities are captured and followed up in a risk management tool (PIMS) and are reviewed monthly at all levels in the organisation.

The majority of the risks and opportunities originate from the company's activity set. In addition, risks also come from various sources including regulators, industry initiatives, NGOs, public perception, investors etc. Risks from each business unit are aggregated to company level. Risk management in Aker BP follows ISO 31 000.



SUSTAINABILITY IN AKER BP

Aker BP works to be a benchmark for safe and profitable offshore oil and gas production. We are a leading offshore exploration and production (E&P) company, focusing on oil and gas production on the Norwegian continental shelf (NCS). Our aim is to produce oil and gas in the most environmentally-friendly manner possible. Together with the special interest group Norwegian Oil and Gas and KonKraft, Aker BP has defined climate targets for reduction of CO₂ by 2030, in accordance with the Paris agreement. This report describes how Aker BP works with sustainability, including our objectives, priorities and results.

Aker BP is a significant employer. Our paramount goal is for all staff members - both permanent employees, contractors and service personnel - to return home, safe and healthy. In 2017, we failed to deliver on our HSE objective. We lost one colleague in the tragic accident at Maersk Interceptor in December. This is not acceptable. Not for me personally as the leader of the company, and not for Aker BP. We will ensure that we learn from this incident. Safety is our top priority and we must do better than the results show for 2017.

As an important player on the NCS, we must develop our operations to enhance energy efficiency and reduce our environmental footprint. Our goal is to be recognized as a major contributor to reducing CO₂ emissions on the NCS, and our efforts include using power from shore for Valhall and Ivar Aasen (as part of Utsira High from 2022). We work towards achieving energy efficient operations. Our CO₂ emissions intensity target is 8 kg of CO₂ per barrel of oil equivalents, which is below the current NCS average. In 2017, our CO₂ emissions intensity was 7.2 kg CO₂/boe.

We reduce upset flaring by promoting flaring policies and increasing reliability (Valhall, Skarv, Ivar Aasen and Alvheim have closed flares, therefore no pilot flames). Furthermore, we honor decisions made over 15 years ago to electrify Valhall, making it possible today to operate on power from shore. The Lista power station came on line in 2009, and has provided power to the Valhall field centre from 2012. The Maersk Invincible drilling rig was also connected to the Valhall power from shore during operations in 2017. NOAKA is one example where we look at concepts where we can use electric power, depending on the concepts selected.

Aker BP participates in the Carbon Disclosure Project (CDP) in an effort to benchmark ourselves against others in the industry. Our score is at level B (A-D range) for 2017. This is the best result we can achieve, as a company working solely with E&P.



As we continue to work with our new projects, Aker BP aims to implement power from shore as the base case on new field developments, relying on our experience and always looking ahead for new technologies to improve.

Aker BP plans to promote and invest in innovative energy solutions for late life operations. We are working to develop good business cases for energy efficiency in this area of our portfolio.

It is also natural for us to invest in R&D work to promote knowledge about low carbon energy solutions and to be involved in a long-term R&D strategy to invest in climate-related research.

A handwritten signature in blue ink, reading 'Karl Johnny Hersvik'.

Karl Johnny Hersvik
Chief Executive Officer, Aker BP ASA

SAFETY

Aker BP shall be a safe workplace, where the goal is to prevent any kind of harm. All who work for us – our employees, hired personnel and contractors – shall be able to perform their work in an environment where the emphasis is on the safety of all individuals in the workplace. Our facilities shall be in good condition, and they shall be planned, designed and maintained in a manner that ensures their technical integrity.

2017 has been a year characterized by a high activity level and major achievements for Aker BP, but also by a tragic fatality on the Maersk Interceptor in December. During maintenance work involving installation of a sea water lift pump, a wire sling broke and a person fell into the sea and was fatally injured. Another person was also seriously injured during the incident. Aker BP is following up the causes of this accident to ensure that the lessons learned are implemented and shared with the industry, to prevent similar accidents in the future.

The Total Recordable Injuries Frequency ("TRIF") for 2017 was 2.94, up from 2.6 in 2016. Six personal injuries were classified as serious.

During 2017, Aker BP had two incidents with high potential – both involving dropped objects that resulted in material

damage. All events during the year were investigated according to procedures and lessons learned were implemented. The improvement activities in the company's 2017 HSE program have been completed and new HSE programs for 2018 have been issued for each asset. Acute spills are listed in the Environmental section.

The Petroleum Safety Authority (PSA) carried out 16 audits of Aker BP operations and activities in 2017. Other authorities such as the Norwegian Environmental Agency, the Norwegian Petroleum Directorate, the Norwegian Radiation Protection Agency, etc. conducted eight audits of Aker BP's activities. Aker BP did not receive any notices of orders from the PSA related to operations or activities in 2017. Based on all audits in 2017, we received notice of 39 non-conformities and 56 improvement actions.



OCCUPATIONAL HEALTH AND SAFETY

Fatalities Employees	0	
Fatalities Contractors	1	
Serious Injuries Employees	2	
Serious Injuries Contractors	4	
Lost Time Incidents Employees	3	
Lost Time Incidents Contractors	8	
Lost Time Incident Rate Employees+ Contractors	2.01	Per Mill exp. Hours
Medical Treatment Incidents Employees	2	
Medical Treatment Incidents Contractors	7	
Total Exposure Hours	5.45	Million Hrs Worked
Total Recordable Injuries Frequency (TRIF)	2.94	Per Mill exp. Hours
Near Misses with High Potential	2	
Asset Integrity and Process Safety		
Number of Tier 1 Process Safety Events	0	
Number of Tier 2 Process Safety Events	1	

WORKING ENVIRONMENT

Aker BP's management works to achieve a flat and democratic organization, with a short and effective chain of command. Our managers aim to be accessible and to work in close cooperation with their colleagues.

In 2017, we hired 122 new permanent employees, including 12 trainees. 21.3 percent are female and 78.7 percent are male. 108 persons left the company in 2017.

Women held 40 per cent of the seats on the board of directors. Women accounted for 20 per cent of the executive management team, and 20.5 per cent of middle management.

If we take a look at other diversity indicators, such as nationality, 91.8 percent have a Norwegian background. The remainder is a mix of British, Danish, Dutch and other European and Asian nationalities.

Full time permanent employees in Aker BP are entitled to our pension program, insurance, bonus program and share purchase program. These benefits are not offered to temporary or part-time employees.

The Company has a defined contribution pension plan for all employees. Previous Defined Benefit (DB) plans have been closed and there are no future obligations with respect to DB plans.

Contractors are involved in most social gatherings, and have access to the canteen. They also take part in compulsory training. All permanent staff are entitled to parental leave in accordance with Norwegian employee legislation. 31 female employees and 50 male employees took parental leave in 2017.

DIVERSITY IN COMPOSITION OF GOVERNANCE BODIES AND AMONG EMPLOYEES

Total 2017 new hires

Employee	110
Apprentice	12
Total	122

Total exits 2017

Employee	108
Apprentice	-
Total	108

New hires by gender

Female	26
Male	96
Total	122

Exits by gender

Female	26
Male	82
Total	108

New hires by region

Stavanger	73
Trondheim	7
Oslo	19
Harstad	1
Sandnessjøen	3
Offshore	19
Total	122

Exits by region

Stavanger	38
Trondheim	29
Oslo	9
Harstad	-
Sandnessjøen	1
Offshore	31
Total	108

New hires by age group

<20	10
20-24	6
25-29	13
30-34	22
35-39	20
40-44	15
45-49	16
50-54	14
55-59	5
>60	1
Total	122

Total exits by age groups

<20	-
20-24	-
25-29	2
30-34	2
35-39	14
40-44	15
45-49	10
50-54	12
55-59	5
>60	48
Total	108

DIVERSITY IN COMPOSITION AMONG EMPLOYEES

Female

Employee	267
Apprentice	7

Male

Employee	1 087
Apprentice	10
Total	1 371

DIVERSITY IN COMPOSITION OF GOVERNANCE BODIES

Female	47
Male	188
Total	235

NATIONALITY

Norwegian	1 258	91.8 %
British	34	2.5 %
Danish	31	2.3 %
Swedish	9	0.7 %
Dutch	8	0.6 %
German	6	0.4 %
Canadian	4	0.3 %
Russian federation	3	0.2 %
American	3	0.2 %
French	3	0.2 %
Indian	2	0.1 %
Polish	2	0.1 %
Indonesian	2	0.1 %
Singapore	1	0.1 %
Finnish	1	0.1 %
Belgian	1	0.1 %
Austrian	1	0.1 %
Irish	1	0.1 %
Italian	1	0.1 %
Total	1 371	100.0 %

Labour/management relations

For senior management, Aker BP has a 6-month notice period as a minimum regarding operational changes. For all other permanent employees, the notice period is 3 months. For contracted employees/consultants, we have a mutual notice period of one month.

Occupational health and safety

The Norwegian Working Environment Act covers the health and safety agreements that apply to our activities. Aker BP works closely with trade unions on these matters, as required by the law.

% OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MGMT.

Management to Staff Ratio

Aker BP Managers*

L0	2	0.1 %
L1	8	0.6 %
L2	54	4.0 %
L3	108	8.0 %
L4	63	4.7 %
Aker BP Managers* Total	235	17.4 %
Aker BP Staff	1 119	82.6 %
Total Employees	1 354	100.0 %

*Aker BP employed managers with direct staff reports

Training and education

Average hours of training per year per employee is 57 hours. Aker BP Academy provides various courses covering a wide range of subjects. Special training programs have been developed for different target groups e.g.: Leadership Pipeline and Knowledge Expert.

A series of short courses called "Pitstop" offers digitalization courses for all employees. In addition to serving current training needs through internal and external vendors, it ensures life-long learning for our employees.

For offshore personnel, competence management through an individual competence profile is handled by means of administering the requirements and corresponding documentation. Each person, their team leader and Aker BP Academy are responsible for following up the status and any competence gaps.

For onshore personnel, a competence management process is developed. Expected competence is defined and assessed. The competence profiles are a basis for the development conversation between employee and team leader, to decide on necessary competence development actions.

In Aker BP, 100% of our permanent employees have regular performance and career development reviews, as this is mandatory.



Diversity and equal opportunity

Aker BP has a clear and defined ambition to promote diversity and equal opportunity. We are working strategically to develop female talents and when we have open positions, we work to have a diverse group of talents to choose from.

From an ethical point of view, it is natural for us to work from the perspective that we want to take advantage of the entire talent base, not just 50 percent of it.

Equal remuneration for women and men

Ratio of basic salary and remuneration of women to men by employee category: We have a policy of 100 percent fair salaries, based on competence, expertise and seniority. The Company complies with an equal remuneration for women and men policy. This is maintained during annual salary review and in connection with offers to new hires where focus is placed on the job, internal peers and candidate background.

Supplier assessment of labour practices

2017 was a year where we focused on reducing the number of suppliers due to the merger between BP Norge and Det Norske. However, a few were added through tender processes, which includes assessments of their standards and practices.

We have not discovered any incidents in 2017 where suppliers are violating lawful or customary labour practices. Nevertheless, we are monitoring our supply base to avoid future incidents of substandard practices.

Supply chain

We work in close cooperation with suppliers/vendors. For main suppliers we go through tendering processes and enter into frame agreements.

Labour practices grievance mechanisms

We have had no grievances about labour practices filed, addressed or resolved through formal grievance mechanisms.

During 2017, we have strengthened relations with the labour unions. We have worked together to establish a new organization through the merger of BP Norway and Det Norske. The good

relations between the unions and company management have resulted in trust and open door policies. We have resolved all issues with zero disputes, in a good manner, and with common agreements. The Management consults with unions in regular works council meetings. Unions are involved in projects and change processes.

Human Rights

Investment/Non-discrimination

During 2017 we have, to our knowledge, not been involved with contracts or areas that caused us to take an extra look at human rights issues. Nevertheless, we keep the topic on our agenda to avoid incidents of discrimination.

Freedom of association and collective bargaining

We have not identified operations or suppliers in which the right to exercise freedom of association and collective bargaining have been violated.

Child labour

We have not identified operations or suppliers with significant risk for incidents of child labour.

Security practices

Our security efforts shall ensure that we at all times maintain the security of personnel, assets and information in accordance with relevant legislation and company needs. Following the merger, we have during 2017 worked towards aligning our systematic security management efforts with revised company needs. Efforts include establishing a common corporate security culture, strengthening cyber security awareness and ensuring that we maintain knowledge and insight of current and future security risks.

Assessment

We have not identified any suppliers that have a risk for human rights violations. All new suppliers added in 2017 were screened using human rights criteria through the Achilles JQS qualification process. We have not identified any human rights risks in 2017, and thus not initiated any further mitigating actions. No grievances about human rights impacts have been filed or addressed through formal grievance mechanisms.

ENVIRONMENTAL IMPACT

Environmental management in Aker BP follows the guiding principles of ISO 14 001, while ISO 50 001 is followed for energy management. Key performance indicators, with targets, are defined at a company level and within each business unit. Development of barriers and barrier control follow regulatory and company requirements in addition to NORSOK standards. Regulatory requirements are always considered as a minimum, and use of Best Available Technique (BAT) and industry best practice are used for barrier design.

Carbon Disclosure project (CDP)

The Carbon Disclosure project (CDP) is a global non-profit organization that focuses on investors, companies and cities, urging them to take action to build a sustainable economy by measuring and understanding their environmental impact. Aker BP improved its score from C in 2016 to B in 2017. Aker BP is satisfied with this as an offshore E&P company. An A score is only realistic with renewable energy initiatives in the portfolio.

Energy

In 2017, the average emission of CO₂ per produced unit was 7.2 kg/boe (54 kg CO₂/tonne oe) for fields operated by Aker BP. We were able to meet our target of less than 8.0 kg CO₂/boe,

because two of our assets are supplied with electricity (Valhall with power from shore and Ivar Aasen with power from Edvard Grieg and power from shore in 2022). In addition, Tambar receives power from the Ula field, and Valhall Flank South and North are supplied with power from the Valhall field centre. In 2017, Aker BP also pioneered the use of electricity for powering the new drilling rig Maersk Invincible, used for plugging wells on the Valhall field. Electrification of the rig resulted in an annual reduction of 186 tonnes NO_x and 16 000 tonnes CO₂. Electric power is also a bonus for the working environment, where noise is reduced, and diesel exhaust exposure is eliminated. The preferred use of electricity is part of the active energy management commitment within the company.

ENERGY CONSUMPTION

Total fuel consumed from non-renewable sources	14 104 665	GJ
Total fuel consumed from renewable sources	-	J
Electricity consumption	492 840	MWh

WATER

Total fresh water usage	179 713	m ³
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EMISSIONS

Direct GHG Emissions (Scope 1) - all gases	913 796	CO ₂ e tonnes
Indirect GHG Emissions (Scope 2)	126 180	CO ₂ e tonnes
CO ₂ emissions intensity	7.2	kg CO ₂ /boe
Reduction of GHG emissions from 2016	16 000	CO ₂ e tonnes
NO _x	1 804	tonnes
SO _x	30	tonnes
non-methane VOC	1 273	tonnes

ENVIRONMENTAL COMPLIANCE

Total monetary value of fines ¹	0	\$
Number of non-monetary sanctions for non-compliance	0	

SUPPLIER ENVIRONMENTAL ASSESSMENT

New contractors/suppliers screened using environmental criteria	100	%
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EFFLUENTS AND WASTE

Number of oil spills to sea (>0.1 m ³)	2	
Oil spills (>0.1 m ³)	0,35	m ³
Number of chemical spills to sea (>0.1 m ³)	4	
Chemical spills (>0.1 m ³)	1.8	m ³
Number of hydrocarbon leaks (>0.1 kg/s)	0	
Total mass of hydrocarbon leaks (>0.1 kg/s)	0	kg
Produced water total volume	10 679 479	m ³
Re-injected produced water volume	6 381 280	m ³
Percentage of produced water re-injected	60	%
Discharged to sea volume	4 229 646	m ³
Percentage of produced water discharged	40	%
Hydrocarbons discharged to sea in produced water	77	tonnes
Flared hydrocarbons	16 787 594	Sm ³
Continuously flared hydrocarbons	0	Sm ³
Vented hydrocarbons	1 224 137	Sm ³
Oil based drilling mud and cuttings waste	11 887	tonnes
Water based drilling mud and cuttings waste	249	tonnes

Water

Fresh water is used for drinking water, accommodation and in drilling operations. Fresh water is not a scarce resource in Norway. In most cases, drinking water offshore is generated from seawater.

Biodiversity

Ecosystem vulnerability and biodiversity is considered in all our operations. Environmental analyses are performed to assess the risks in the area, both in terms of birds, fish, marine mammals, seabed disturbances and sea fauna. Acceptance criteria are set per group of species and a risk-based approach is used to finalize the environmental impact assessment. In 2017, a visual survey of corals was performed along the proposed Ærfugl pipeline route, a tie-in field to Skarv, to ensure coral reefs remain protected and are not affected by the pipeline. A similar approach is used for anchor patterns to protect sensitive seabed areas and resources.

Aker BP also complies with regulatory requirements of analysing sediments and monitoring water columns to understand impact on and risks to the ecosystem.

Aker BP participates in the Sea Track project where so-called light-loggers are attached to the bird's ring to enable tracking. Extensive knowledge has been developed concerning which environmental factors affect the seabird populations and the vulnerability of the populations to any acute incident such as an oil spill, mass starvation or drowning in fishing gear. The data are also incorporated into the common models used to calculate environmental risk.

Aker BP is planning drilling activities in the Barents Sea, which is regarded as a pristine and undisturbed area. Aker BP has participated in the Barents Sea Exploration Corporation (BaSEC) together with 17 other operators, to expand operational knowledge and establish best practices for environmentally-sensitive areas. Some species of sponges are considered sensitive and are frequently found in the Barents Sea. Aker BP has some experience in mapping and protecting sponges in the Barents Sea.

Aker BP has an overview of the IUCN (International Union for Conservation of Nature) red list species in areas near operational and exploration sites. This risk is included in the environmental risk assessment.



Emissions

In 2017, NOx emissions were 1804 tonnes compared with 1663 tonnes in 2016. The increase is caused by higher drilling rig activity in 2017.

To support the Paris climate agreement with the 2°C limit and the KonKraft initiative (reduction target for Norwegian petroleum industry), Aker BP has committed to reduce CO₂ emissions corresponding to our share of the KonKraft obligations. An energy forum has been established to actualize our part of the KonKraft initiative. Our goal is to minimize emissions from activities on the Norwegian continental shelf through choosing energy-efficient solutions and operations. New projects must perform feasibility studies for power from shore or power transmission. In cases where new energy-intensive equipment is purchased, the equipment must be as energy-efficient as possible and utilise low-emission technology.

Effluents and Waste

In addition to electrification, Aker BP has worked to reduce flaring and to quantify emissions to air of non-combusted hydrocarbon gases. On the Valhall field, the LP flare was closed in 2015, thereby putting an end to pilot flaring. Both Skarv and Alvheim have closed flares and are using low-NOx turbines with heat recovery. Ivar Aasen closed its flare at the end of 2017. Flaring in 2017 was 35% lower than in 2016.

Our strategy for disposal and treatment of produced water prioritised the lowest environmental impact. The order of priority is:

- prevention/delay of produced water generation
- reinjection of produced water for pressure support on fields where pressure support is required
- water disposal
- cleaning and discharges of produced water according to BAT

Compliance

Compliance is assured through an ISO 14 001 self-assessment, Work Environment Committee, Internal Technical Assessments, Annual Employee Questionnaires and Internal Audits. Regulatory compliance is accomplished through annual and quarterly submission of reports.

Development Technology in the Barents Sea

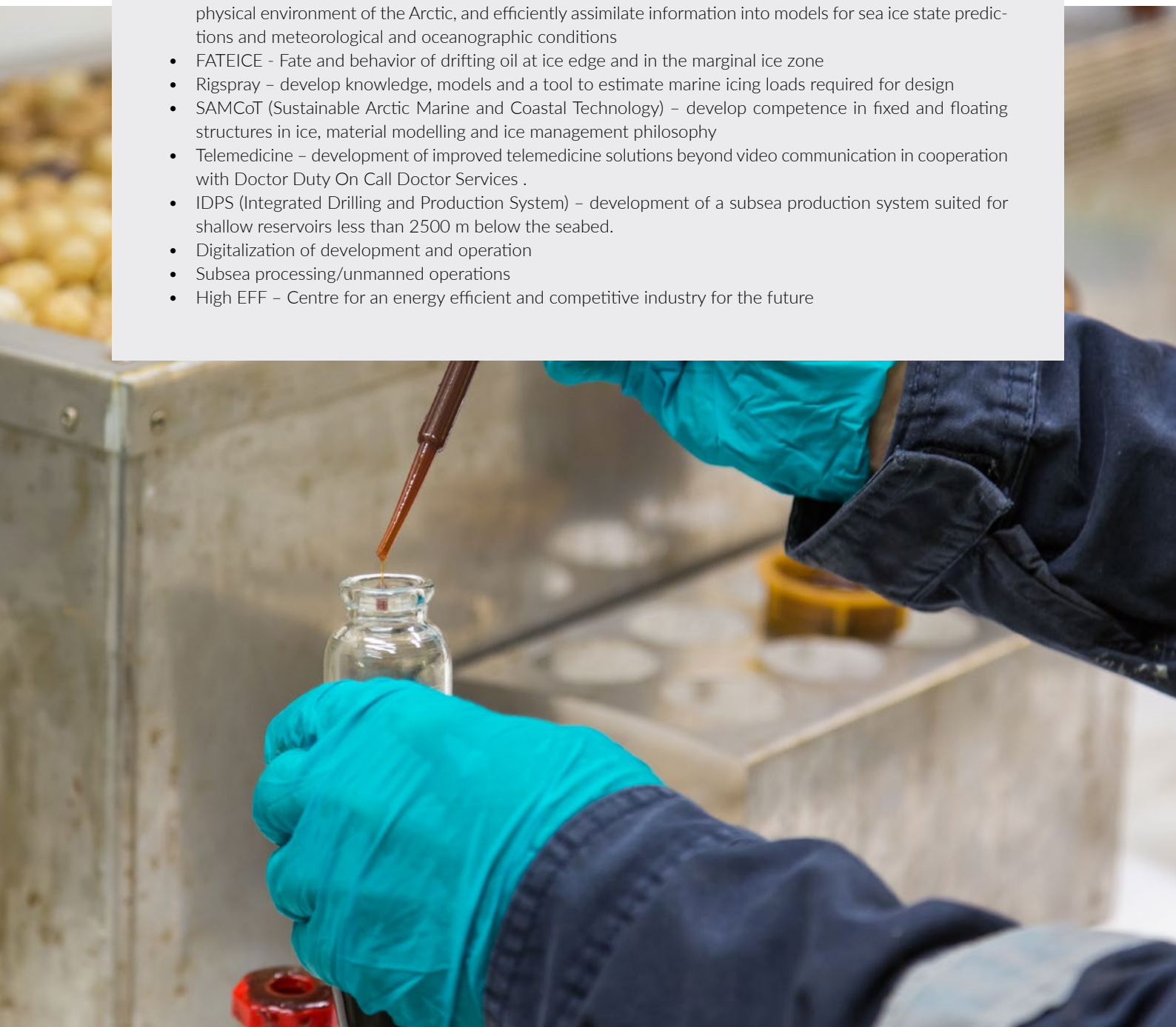
As a part of Aker BP's Barents Sea strategy, The Company works together with alliance partners and academia, to define future Barents Sea development solutions. One of the purposes is to identify and close technology gaps by initiating technology qualification programs before a potential discovery enters the project phase.

Research and Development

Aker BP continues to pursue research and development (R&D) activities within topics related to geology and geophysics, drilling and wells, operation, production and within HSSE. The main driving forces for R&D projects have been to significantly increase the scientific understanding of the subsurface and the technology to discover and exploit resources, to secure a licence to operate in new areas and to carry out operations efficiently at a high HSE standard and with state-of-the-art technology.

Selected R&D projects:

- Shelf sedimentation – detailed studies of shelf sedimentation processes, sediment budgets and resulting lithologies from a reservoir development perspective
- ARCEX (Arctic Petroleum Exploration)- aim to increase knowledge of petroleum resources in northern and Arctic areas, eco-safe exploration and environmental risk management
- Secondary, Broken, PressIce and TempIce – regional geological R&D projects in Barents Sea, collaboration with both academic and contracted research
- BaSMIN (Barents Sea Metocean and Ice Network) – Three-year metocean and ice data acquisition program using five Wavescan buoys positioned in the Barents Sea between Hammerfest and Svalbard
- CIRFA (Centre for Integrated Remote Sensing for Arctic Operations) – aims to carry out research on methods and technologies that can reliably detect, monitor, integrate and interpret multi-sensor data describing the physical environment of the Arctic, and efficiently assimilate information into models for sea ice state predictions and meteorological and oceanographic conditions
- FATEICE - Fate and behavior of drifting oil at ice edge and in the marginal ice zone
- Rigspray – develop knowledge, models and a tool to estimate marine icing loads required for design
- SAMCoT (Sustainable Arctic Marine and Coastal Technology) – develop competence in fixed and floating structures in ice, material modelling and ice management philosophy
- Telemedicine – development of improved telemedicine solutions beyond video communication in cooperation with Doctor Duty On Call Doctor Services .
- IDPS (Integrated Drilling and Production System) – development of a subsea production system suited for shallow reservoirs less than 2500 m below the seabed.
- Digitalization of development and operation
- Subsea processing/unmanned operations
- High EFF – Centre for an energy efficient and competitive industry for the future



CORPORATE SOCIAL RESPONSIBILITY

Aker BP works to create value, also for the local communities where we operate. This means that we partner with local businesses, organizations and authorities to develop close communication to achieve mutual understanding of expectations. This chapter outlines examples of how we carry out this part of our responsibility.

Local communities

All five fields in operation; Alvheim, Valhall, Ula, Ivar Aasen and Skarv, have performed and secured acceptance for the impact assessment studies as part of the Government approval process.

According to the Government's, Northern Area Policy, special focus should be given to the development and operation of fields located in Northern Norway to help stimulate local content and create value in the regions. Our Skarv field, located offshore west of Helgeland, is in this category.

Aker BP has had a contract strategy focusing on the following four elements to stimulate local engagement and value creation related to development and operation of the Skarv field;

1. Maximizing the local impacts
2. Decentralized contracts
3. Local procurement function and active supplier development
4. Close contact and cooperation with Nordland County, local municipalities in Helgeland, business, schools and educational institutions.

Several supplier/vendor seminars have been conducted, focusing on how local businesses can position themselves to win contracts. Splitting up contracts in sizes manageable for local business related to their capacity, has given them the opportunity to compete in tendering processes.

To stimulate the cooperation with schools and education, Aker BP is supporting activities such as Kunnskapsparken Helgeland, Tverrfaglig Opplæringskontor, Studiesenter Tverrfaglig Opplæringskontor, Studiesenter Ytre Helgeland, Kunnskapsutvikling Helgeland and Sandnessjøen upper secondary school.

Aker BP is further developing the cooperation agreement with Nordland County focusing on local business development, schools and education.

The four other fields in operation are located offshore in the southern part of Norway, and the needs of these fields have been covered by national and local engagement.

Engagement and development program includes;

- A national web-based mathematics learning site for students, teachers and parents from 1st grade to university level. The University of Oslo is the project lead. Link. www.matematikk.org
- Norwegian Petroleum museum, support for exhibition and education relating to the petroleum industry. www.norskolje.museum.no
- Det norske teater, cultural support. www.detnorsketeatret.no

To the best of Aker BP's knowledge, there are no significant disputes with local communities or indigenous people related to our exploration, development, operation or decommissioning activities. Nor have we noted any grievances concerning impacts on society filed, addressed or resolved through formal grievance mechanisms.

Furthermore, we have not recorded significant actual or potential negative impacts related to our operations, onshore or offshore.

Aker BP has decommissioning activities related to the following installations;

- The 2/4 G installation – The topside has been removed and final disposal has taken place at Vats. The jacket will be removed by the end of 2024.
- Jette – A subsea field, removal is planned by the end of 2020.
- Valhall QP, DP and PCP installations – These old installations at the Valhall field are in a decommissioning phase, and the plan is to remove them by the end of 2026.
- Hod – The field is shut down, and the plan is to remove the installation by the end of 2026

ECONOMIC IMPACT

Here is a brief outline of financial figures and some reflections on how we view our activities in the broader picture.

Direct economic value generated and distributed

Total revenue for Aker BP ASA for 2017 is 2 575 654 (USD 1 000). The company has paid taxes in the total amount of 101 115 (USD 1 000).

Volume and type of estimated proven reserves and production

For 2017, we have produced volumes (barrels of oil equivalent) worth a total of 50 671 230 (USD 1 000). Reserves are estimated to be 913.5 million barrels of oil equivalents. For more detailed financial and economic information we refer you to Aker BP's Annual Report 2017.

Financial implications and other risks and opportunities for the organization's activities due to climate change

With the backdrop of "COP 21", a number of different plans have been proposed in the Norwegian Parliament. The goal is to reduce carbon emissions from companies operating in certain sectors, including the oil and gas industry, and create a carbon trading system linked to the European Union's emissions trading scheme. In June 2017, the Norwegian Parliament adopted an ambition to reduce carbon emissions

from 1990 levels by at least 40% by 2030. In addition, Norway has announced its intention to phase out the sale of fossil fuel-powered vehicles in favour of electric vehicles by 2025.

This or similar legislation or regulatory initiatives in the future, could adversely impact our business by imposing increased costs in the form of taxes or for the purchase of emission allowances, limiting our ability to develop new oil and gas reserves, thus decreasing the value of our assets.

Society

Anti-corruption

An overall assessment of risk related to corruption concludes that the company's operations in general have limited exposure. Aker BP has recently updated its Code of Conduct and Anti-Corruption policy, and per 2017 we have had no recorded incidents of corruption.

In 2017, we have not had any legal actions regarding anti-competitive behaviour. There have been no issues related to compliance or involuntary resettlement.

INDIRECT ECONOMIC IMPACT

On December 15th, 2017, Aker BP submitted the Plans for Development and Operation (PDOs) for the Valhall Flank West, Ærfugl, and Skogul fields to the Norwegian Ministry of Petroleum and Energy, on behalf of the respective partnerships.

Total investments for the Ærfugl development are estimated at NOK 8.5 billion, the Valhall Flank West development at NOK 5.5 billion and the Skogul project at NOK 1.5 billion. (All NOK amounts are in real terms.)

Over the lifetime of the fields, the three projects are estimated to generate total oil and gas revenues of NOK 100 billion (in real terms), based on an oil price of USD 60 per barrel.

Net of investments and operating costs, this will result in total value creation of NOK 70 billion, of which taxes to the Norwegian state amount to NOK 52 billion.

The impact on employment is estimated at approximately 14 000 full-time equivalents, according to benchmark data from DNV GL.

Aker BP operates five fields on the Norwegian continental shelf, where the majority of the operation expenditures are contracted to suppliers in Norway.

The Ministry of Petroleum and Energy has requested evaluation of local content for new fields in operation.

An independent study for Skarv, located in the Norwegian Sea, identified regional and local impacts in Helgeland for the first three years the field was in operation (2013–2015). About 14% of Skarv's operational expenses, or NOK 530 million, were delivered by local businesses.



REPORTING PRINCIPLES

This report covers the year 2017, and is the first Sustainability report from Aker BP after the merger between Det Norske, BP Norway and Hess Norway. We intend to make this an annual report. This report is inspired by the GRI G4 Guidelines (see reporting table). This report has been reviewed internally in Aker BP and has not been evaluated externally.

Information about Aker BP entities included in the consolidated financial statements is available to the public. This report is prepared by the HSE department in cooperation with Communications and External Affairs, based on the Global Reporting Initiative – GRI. Several departments, such as HSE, HR and Finance, have contributed to the report. To the best of our ability, we have answered every question relevant to our operations and activities, with transparency and full disclosure where possible. A precautionary approach is standard in the way we work in Aker BP.

Stakeholder engagement

We engage with stakeholders in the communities where we operate, and more details are described in the Corporate Social Responsibility chapter.

Aker BP is a member of NOROG, the Norwegian Oil and Gas Association and IOGP, The International Association of Oil and Gas Producers

Governance

Aker BP has the General Assembly and Board of Directors as the highest governing body responsible for decision-making on economic, environmental and social impacts. On a daily basis, the Executive Management group makes decisions.

Ethics and Integrity

Aker BP's values are SAFER; Enquiring, Responsible, Predictable, Committed and Respectful. We encourage employees to seek help and advice from the safety delegate in issues regarding ethics and integrity. We also have a service where staff can contact an external partner in case of suspicions of corruption or other issues. There have been no issues or suspicions reported in 2017.

Aker BP's code of ethics sets out requirements for good business conduct and personal conduct for all employees of Aker BP and members of its governing bodies. The code also applies to contract personnel, consultants and others who act on Aker BP's behalf. It is clearly communicated on the intranet for everyone who works for the company.

GENERAL STANDARD DISCLOSURES

OVERVIEW

Strategy and analysis

G4-1 [See page 4](#)

Organizational profile

G4-3 [See page 3](#)

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Identified Material Aspects and Boundaries

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Stakeholder Engagement

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Report Profile

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Governance

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Ethics and Integrity

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SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC

Economic performance

G4-DMA [See page 13](#)
 G4-EC1 [See page 13](#)
 G4-EC2 [See page 13](#)
 G4-EC3 [See page 6](#)

Indirect Economic impacts

G4-EC7 [See page 14](#)
 G4-EC8 [See page 14](#)
 G4-EC9 [See page 14](#)
 G4-OG1 [See page 13](#)

CATEGORY: ENVIRONMENTAL

Energy

EN-DMA [See page 9](#)
 G4-EN3 [See page 9](#)
 G4-EN5 [See page 9](#)

Water

G4-EN8 [See page 9](#)

Ecosystem Services including Biodiversity

G4-DMA [See page 9](#)
 G4-EN11 [See page 9](#)
 G4-OG4 [See page 9](#)

Emissions

G4-DMA [See page 9](#)
 G4-EN15 [See page 9](#)
 G4-EN16 [See page 9](#)
 G4-EN18 [See page 9](#)
 G4-EN19 [See page 9](#)
 G4-EN21 [See page 9](#)

Effluents and Waste

G4-DMA [See page 9](#)
 G4-EN24 [See page 9](#)
 G4-OG5 [See page 9](#)
 G4-OG6 [See page 9](#)
 G4-OG7 [See page 9](#)

Compliance

G4-EN29 [See page 9](#)

Supplier Environmental assessment

G4-EN32 [See page 9](#)

CATEGORY: SOCIAL

Employment

G4-DMA [See page 6](#)
 G4-LA1 [See page 6](#)
 G4-LA2 [See page 6](#)
 G4-LA3 [See page 6](#)

Labor/Management Relations

G4-LA4 [See page 6](#)

Occupational Health and Safety

G4-DMA [See page 5](#)
 G4-LA5 [See page 6](#)
 G4-LA6 [See page 5](#)
 G4-LA8 [See page 6](#)

Training and Education

G4-LA9 [See page 6](#)
 G4-LA10 [See page 6](#)
 G4-LA11 [See page 6](#)

Diversity and equal opportunity

G4-DMA [See page 6](#)
 G4-LA12 [See page 6](#)

Equal Remuneration for Women and Men

G4-LA13 [See page 6](#)

Supplier assessment of labor practises

G4-LA14 [See page 6](#)
 G4-LA15 [See page 6](#)

Labor practices Grievance Mechanisms

G4-LA16 [See page 6](#)

Sub Category: Human Rights

Investment

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 G4-HR2 [See page 6](#)

Non-discrimination

G4-HR3 [See page 6](#)

Freedom of association and collective bargaining

G4-HR4 [See page 6](#)

Child labour

G4-HR5 [See page 6](#)

Forced or compulsory labor

G4-HR6 [See page 6](#)

Security practices

G4-HR7 [See page 6](#)

Indigenous Rights

G4-HR8 [See page 6](#)
 G4-OG9 [See page 6](#)

Assessment

G4-HR9 [See page 6](#)

Supplier human rights assessment

G4-HR10 [See page 6](#)
 G4-HR11 [See page 6](#)

Human Rights Grievance Mechanisms

G4-HR12 [See page 6](#)

Sub Category: Society

Local communities

G4-SO1 [See page 12](#)
 G4-SO2 [See page 12](#)
 G4-OG11 [See page 12](#)

Anti-corruption

G4-SO3 [See page 6](#)
 G4-SO4 [See page 6](#)

Anti-competitive behavior

G4-SO7 [See page 6](#)

Compliance

G4-SO8 [See page 6](#)

Asset Integrity and Process Safety

G4-DMA* [See page 5](#)
 G4-OG13 [See page 5](#)

Supplier assessment for impacts on society

G4-SO9 [See page 12](#)



CONTACT

Please contact VP Communications,
Tore Langballe, or Senior Vice
President HSE, Jorunn Kvåle, if
you have any questions.

tore.langballe@akerbp.com
Tel: +47 90 77 78 41

jorunn.kvale@akerbp.com
Tel: +47 93 48 23 88

AKER BP ASA

Fornebuporten, Building B
Oksenøyveien 10
1366 Lysaker

Postal address:
P.O. Box 65
1324 Lysaker, Norway

Telephone: +47 51 35 30 00
E-mail: post@akerbp.com

www.akerbp.com

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